

SCHIP in California

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SCHIP in California Covers Nearly 1.1 million Children

In California, SCHIP funds:

- Healthy Families Program (HFP) – covers over 866,000 children and adolescents
- Medicaid – covers nearly 350,000 children, most pending enrollment in the Healthy Families or Medicaid program
- Access for Infants and Mothers (AIM) program – covers nearly 8,000 pregnant women
- Cover more children than the 2nd (New York) and 3rd (Texas) next largest states combined

SCHIP History & Highlights

1997

- SCHIP created by bipartisan Congress and President with 10 years funding (thru 9/30/2007)
- CA creates “Healthy Families”; Receives federal approval to cover children up to 250% FPL

2004

- Federal approval of Santa Clara, San Francisco, San Mateo and Alameda counties to enroll children up to 300% FPL

2006

- Federal approval of CA covering pregnant women up to 300% FPL

2007

- Eight bills introduced to reauthorize five or more years of funds and make policy changes
- 10/1/2007 funds expired (Reauthorization fails!)
- 12/29/2007 SCHIP funding extension bill signed
 - Does not change policy
 - Flat-funds state allotments and adds supplemental funds for 21 shortfall states (including CA)

2007 California Activities

- California HealthCare Foundation funds four papers analyzing California policy and funding needs
- Gov. Schwarzenegger sends letters to:
 - U.S. House and Senate (June);
 - The President jointly with NY Governor (August), and;
 - U.S. Health and Human Services Secretary jointly with 29 other Governors (September)
- MRMIB and Governor's Office collaborate to produce two Fact Sheets about California-specific issues
- With no committed funding, three months into 2008 FFY, MRMIB adopted emergency regulations (November 5) allowing for establishment of waiting-list and disenrollments if the Board finds insufficient funds to cover enrollment
 - Regulations were not acted upon

California SCHIP Needs

- **\$1.29 billion in FFY 2008**
- **Continued flexibility**
 - **Determining income eligibility levels (based on Federal Poverty Level)**
 - **Defining or calculating income levels**
 - **Determining immigration status of applicants**
- **Long-term, predictable funding**

Sufficient Funds Made “Available”

- Centers for Medicare and Medicaid Services (CMS) confirmed \$1.29 billion for FFY 2008 is available to CA
- Unknown funding for FFY 2009
- CMS promises 100% of 2008 FFY funds will be available throughout first 6 months of FFY 2009
- California looks to be out of the woods

New CMS “Rules”

- **August 17, 2007 CMS letter requires states to meet 8 new “rules”**
- **States must comply within 1 year**
- **State flexibility eliminated**
 - **Requires “effective” or “gross” income used to determine eligibility**
 - **State deductions and disregards not allowed**

Eight is (more than) Enough!

It is impossible to satisfy all 8 conditions required by CMS:

- 1. One year waiting period for uninsured children**
- 2. Cost-sharing comparable to that in private coverage**
- 3. Monitor health insurance status at time of application**
- 4. Verify and monitor family insurance through databases**
- 5. Enroll 95% of eligible children below 200% FPL**
- 6. Ensure no more than 2% decline in employer sponsored coverage of children over prior 5 years**
- 7. Be current on existing and new monthly reporting requirements**
- 8. Prevent a shift to public coverage**

Addressing the Directive

- New York, Maryland, Illinois, and Washington file a lawsuit against CMS, arguing such policy changes can not be made through issuance of a letter
- California (and other states) plans to file amicus brief in support of the four states
- National Association of State Health Policy (NASHP) forms workgroup to discuss and address the issue
- Congress may:
 - Do nothing – Wait for a new President
 - Attempt to pass legislation to prevent the rules from being implemented